



Commission on Equitable Early Childhood Education and Care Funding

Funding Adequacy Working Group
Meeting 2 – 03/02/2020

Funding Adequacy Meeting 2 Goals

- Come to a ***common understanding of "adequacy"***
- Validate or refine the ***list of programs/services*** included in cost model
- Validate or refine the major drivers of ***cost of high-quality ECEC*** by program/service

Funding Adequacy Meeting 2 Agenda

Item	Time
Review charge, work plan, and decision-making framework considering Commission feedback	11:00-11:15
Discuss the definition of adequacy	11:15-11:25
Key Decision 1 – Programs and services included in the cost model	11:25-11:40
Key Decision 2 – Cost of high quality ECEC by model	11:40-12:40
Next steps and close out	12:40-12:55
Public Comment	12:55-1:00

Funding Adequacy Charge

Goal: *determine the cost of providing high quality ECEC services and how to fund over time*

Key Questions to Answer:

- What is the **cost of providing high quality ECEC** to all families in Illinois?
- What should the **state process be for determining adequate resources across settings** for each program type?
- How much of the **cost should be covered** by the federal government, the state, local funding, and parent contributions?
- What is the **recommended timeline** to get to the state's full investment?

Workplan and Timeline

Approximate Timeline	Meta-Topics
February 4	<ul style="list-style-type: none">• Validate Work Plan and Timeline• Review existing cost model• Identify key drivers of "the number"
March (3/2 and 3/27)	<ul style="list-style-type: none">• Vet key drivers of the funding adequacy target• Discuss potential process re-evaluating adequacy over time
April (4/27)	<ul style="list-style-type: none">• Envision end state funding sources• Develop a timeline to get to full investment• Determine prioritization of investments over that timeline
Jun - July	<ul style="list-style-type: none">• Discuss and revise based on full Commission feedback

We will pursue our charge through the lens of the Commission's Guiding Principles

High Quality ECEC is a Public Priority

- It should be invested in as much as this is critical to our State's workforce, economy, and welfare of its residents.

Promote Equity

- We will endorse a system that promotes equitable outcomes for children, with intentional focus on race, ethnicity, culture, language, income, children's individual needs, and geography

Embrace Bold System-Level Changes

- Everything is on the table, including how funding flows, how funding decisions are made, and who makes them, to better serve all children and families

Build Upon the Solid Foundation

- We will build upon the successes of Illinois' past and current system, its commitment to a prenatal to 5 system, the lessons from other states, and the expertise and research in the field

Prioritize Family Perspectives, Needs, and Choices

- We will prioritize families' perspectives, needs, and choices as we make recommendations to improve the system

Design for Stability and Sustainability

- We recognize our system must provide funding stability for providers, educators, and staff across mixed delivery settings to better serve families

Require System Transparency, Efficiency, and Accountability

- We see these as necessary conditions for all stakeholders, funding distributors, and funding recipients for any future ECEC funding structure

Recognize Implementation Realities

- We will plan for meaningful change over a multi-year time horizon

*Coming to a common understanding of
"adequacy"*

Determining “adequate” funding

More complex than K-12

- Funding recipient landscape is more than simply "LEAs"
- Variety of program needs for children & families
- Multiple settings and program models

Build-up of program & setting costs

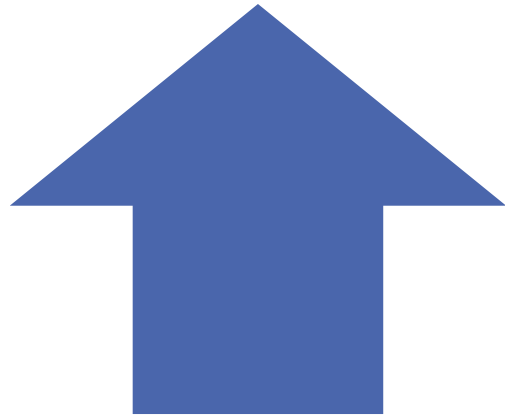
- Types of programs and settings
- Program designs / service delivery models
- Compensation structures
- Staffing levels
- # of Children and types of needs in each setting

*Personnel is typically
60-80% of a provider's
cost – education & care
is a people intensive
service*

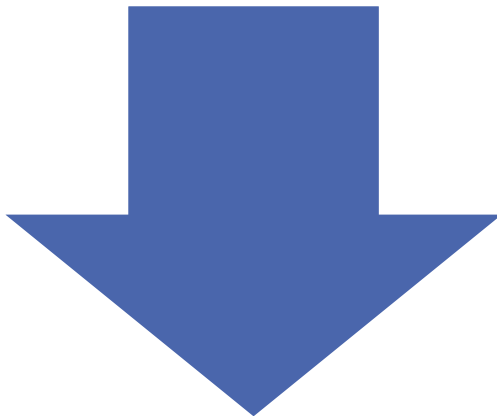
Adequate funding calculations can also be informed by:

- How much other states fund ECEC
- How much providers request in grant applications

Our definition of adequacy must balance ideals from Guiding Principles with ability to implement




High quality services,
equitable access, and
improved compensation



Recognize
implementation realities
over multi-year time
horizon

Common understanding of “Adequacy”

- ECEC is not adequate today
 - Too few served and not enough capacity
 - Under-resourced programmatic offerings compared to student needs
 - Underpaid staff
- Adequate = *setting a floor for what must be provided to meet children and family needs*
- Adequate  All things for all children

Reactions?

What does this mean for our work?

Reminder: Key Decisions

Remember: The PDG Cost Model formula relies on critical decisions about inputs. ***Aligning on these inputs is what matters***

Process Step	Critical Decisions on Inputs
1 Determine Programs in/out of analysis	<ul style="list-style-type: none">• Which settings? (ex: center, family/friend home, etc.)• Which intensities? (ex: part-day, full-day, working day)• For which ages?
2 Calculate per child cost of high quality programs	<ul style="list-style-type: none">• What is the model staffing pattern for each program?• What should staffing ratios be? (How may children per position?)• What should the salary schedule for positions be?• How much should be included for special services including Special Education and Bilingual Programs?
3 Estimate child count in each program	<ul style="list-style-type: none">• What is the total child count eligible for program models?• What is the estimated percent of families in each age/%FPL group opting into services and selecting which program
4 Calculate cost of state/local infrastructure	<ul style="list-style-type: none">• What is the cost of administration and monitoring at the state level?• What is the cost of workforce development and professional development/quality support systems?
5 Calculate total cost of services	

Today's Topics

1

Determine Programs in/out of analysis

- Which settings? (ex: center, family/friend home, etc.)
- Which intensities? (ex: part-day, full-day, working day)
- For which ages?

2

Calculate per child cost of high quality programs

- What is the model staffing pattern for each program?
- What should staffing ratios and group sizes be?
- What should the salary schedule for positions be?
- What's missing?

3

Estimate child count in each program

4

Calculate cost of state/local infrastructure

Key Questions for this Group

Funding Adequacy

- What is *adequacy* for ECSE?
- How must the cost model be updated to include EI?

Funding Mechanisms

- Should ECSE be funded through EBF, separately, or in multiple ways?

Management & Oversight

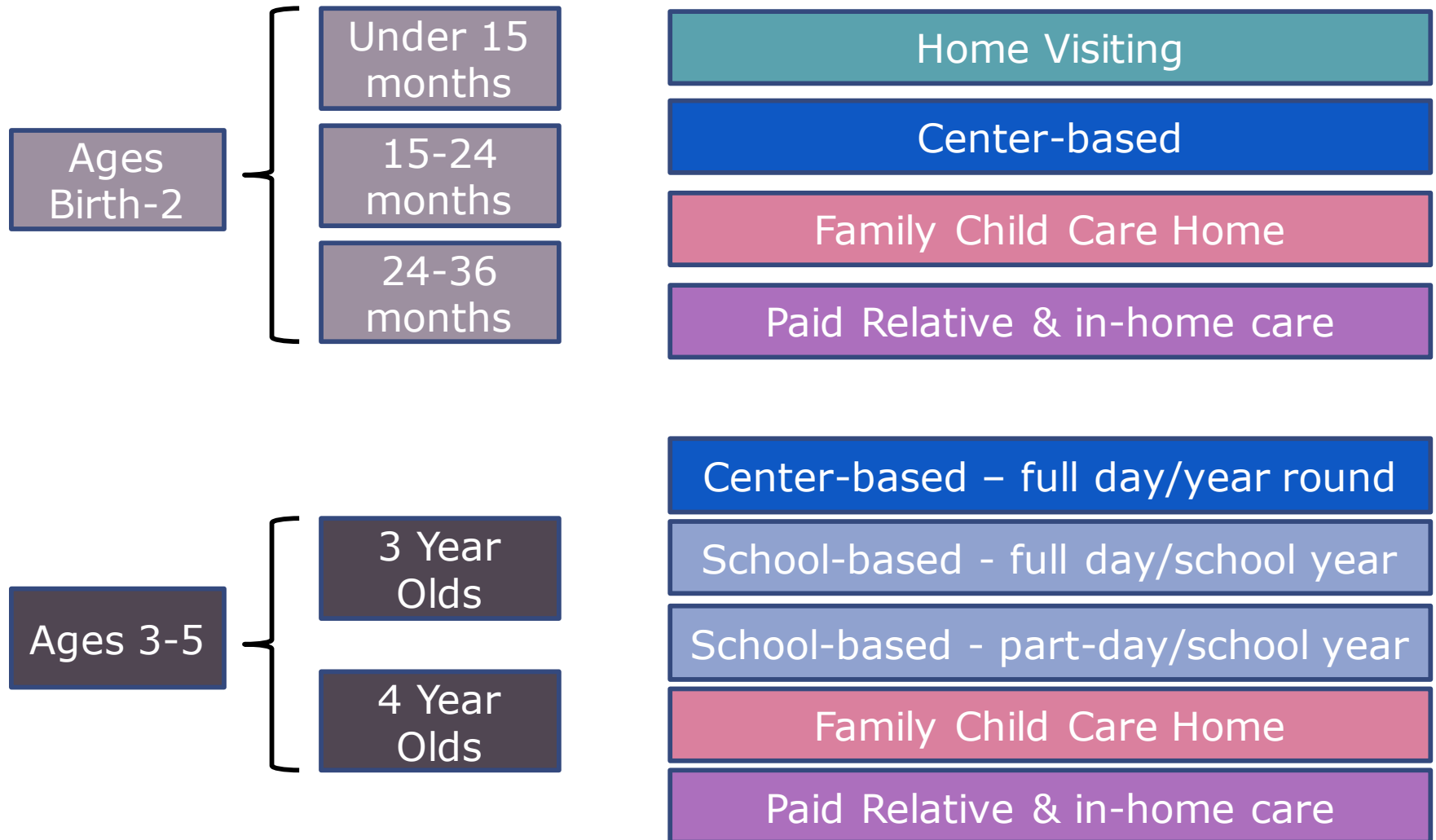
- What process should we use to develop our Management & Oversight recommendations?

Key Question 1: Determine Programs In/Out of the Cost Model

Settings included in the cost model

1. Center-based Organization (CBO)
2. Public Schools
3. Family Child Care Homes (FCC)
4. Paid Relative & In Home Care
5. Home Visiting

This further breaks out into settings and intensities by age of child



Is anything missing or refined?

- **Incremental Costs for Early Childhood Special Education in District settings** – to be addressed by Inclusion Working Group
- **Early Intervention (costs of clinicians)** – to be addressed by Inclusion Working Group
- ***What other ECEC programs or services may be missing?***

Key Question 2: What are the costs of high-quality ECEC services?

Total costs in the current draft of the cost model are \$11B. We will review the major assumptions (keeping order of magnitude in mind)

TOTAL STATEWIDE COST		
Center-based		\$5,085,236,569
	Infants	\$638,217,659
	Toddlers	\$1,117,696,797
	Two year olds	\$1,071,763,574
	Preschool	\$2,257,558,540
School-based Settings (3-and 4-year olds only)		\$2,393,401,283
Additional Costs for Dual Language Learners (in CBOs)		\$48,270,065
Additional Costs for Special Needs/Inclusion (in CBOs)		\$359,385,413
Licensed Family Child Care		\$1,746,786,704
Relative Care		\$292,074,395
Direct Services Total		\$9,925,154,429
Infrastructure (8% of direct service costs)		\$794,012,354
Home Visiting*		\$531,217,701
TOTAL COST		\$11,250,384,485

**Home Visiting model already incorporates infrastructure costs.*

Major topics in cost of quality we need to tackle today:

- Do we agree that licensing should NOT be used as the standard for adequacy?
- Should enhanced standards be used for lower income children?
- What level of compensation should be included in our adequacy target?
- What can we do to validate our assumptions? (Research, National Panel, etc.)

Cost of Quality – Key Inputs



What is the model *staffing pattern* for each service type?



What should *staffing ratios and group sizes* be?



What should the *salary schedule* for positions be?

Community Based Organizations

Staffing Patterns



- Because current licensing requirements do not offer a “high quality” standard, the cost model is built on two levels of quality, both exceeding licensing standards: “High Quality” and “Comprehensive Model”
- Both models include BA-level teachers and AA level aides in every classroom
- Differences:
 - The “Comprehensive model” was designed to meet the more intensive needs of children in low-income families. It is applied to children from families under 200% FPL
- Cost model impact:
 - If all students were at High Quality rather than Comprehensive standards, *cost model would reduce by \$522M.*

Community Based Organizations

Staffing Patterns



FTE PERSONNEL	LICENSED STAFFING	HIGH QUALITY STAFFING	COMPREHENSIVE STAFFING
Site Director/Principal	1 per site	1 per site	1 per site
Additional Professional Staff (out of classroom)	If enrollment > 125, 1 per program	1 per 4 classrooms	1 per 4 classrooms
Teachers	1 per classroom	1 per classroom	1 per classroom
Teacher Assistants	1 per classroom	1 per classroom	1 per classroom
Teacher Aides	1 per infant & toddler classroom	1 per infant & toddler classroom	1 per classroom
Lead Floater teacher/sub	.4 per classroom	.2 per classroom	.1 per classroom
Assistant floater teacher/sub	-	.4 per classroom	.5 per classroom
Family Engagement Specialists	-	1 per 35 children	1 per 35 children
Infant Toddler Specialist	-		included in Additional Professional Staff
Consultation Services (Early Childhood Mental Health Consultant, Nurse, etc.)	-	consultant in nonpersonnel costs (5-6 hours/month)	consultant in nonpersonnel costs (5-6 hours/month)
Cook	-		1 per site
Asst Cook/Food aide	-		1 per site
Administrative Assistant	1 per site	1 per site	1 per site
Maintenance Workers	contract in nonpersonnel costs	contract in nonpersonnel costs	1 per site contract in nonpersonnel costs

Community Based Organizations

Staffing Ratios and Group Sizes



- Like staffing patterns, both the High Quality model and the Comprehensive model are built on better ratios and group sizes than required by Illinois licensing standards
 - High Quality = ExceleRate Gold group size and ratio requirements
 - Comprehensive = improves upon this by reducing max group size

	Staff/Child Ratio (ExceleRate Gold)	High Quality Max Group Size	Comprehensive Max Group Size
Infants (6wks - 14 mo)	1 to 4	8	8
Toddlers (15mo - 23mo)	1 to 4	12	8
Two-year-olds	1 to 6	12	8
Preschool (3 and 4 years)	1 to 10	20	17

- Cost model impact:
 - If all toddlers and two year olds were at 12 rather than 8 per class (High Quality), *the cost model would reduce by \$338M*
 - If preschool children were all at 20 rather than 17 per class, *the cost model would reduce by \$142M*

Public Schools

Staffing Pattern



- Staffing patterns for school-based preschool programs are based on the EBF and the Preschool for All program standards
- For School-Day programs, an additional 0.2 FTE of PEL teachers was included to allow for “specials” and to accommodate planning periods within the teachers’ schedules
- Administrator staffing was calculated at the same rates used in the K-12 system

Public Schools

Staffing Pattern



FTE PERSONNEL	SCHOOL-BASED STAFFING
Site Director/Principal	1 per site
Additional Professional Staff (out of classroom)	1 per 5 classrooms
Teachers	1.2 per classroom
Teacher Assistants	1 per classroom
Teacher Aides	-
Lead Floater teacher/sub	10.032 per teacher
Assistant floater teacher/sub	10.032 per teacher assistant
Family Engagement Specialists	1 per 35 children
Infant Toddler Specialist	
Consultation Services (Early Childhood Mental Health Consultant, Nurse, etc.)	consultant in nonpersonnel costs (5-6 hours/month)
Cook	-
Asst Cook/Food aide	-
Administrative Assistant	1 per site
Maintenance Workers	

Public Schools

Staffing Ratios and Group Sizes



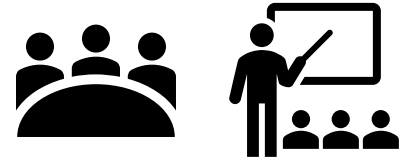
- District-based Pre-school utilizes the same staffing ratios and group sizes as CBOs:

	Staff/Child Ratio (ExceleRate Gold)	High Quality Max Group Size	Comprehensive Max Group Size
Infants (6wks - 14 mo)	1 to 4	8	8
Toddlers (15mo - 23mo)	1 to 4	12	8
Two-year-olds	1 to 6	12	8
Preschool (3 and 4 years)	1 to 10	20	17

- Cost model impact:
 - If preschool children were all at 20 rather than 17 per class, *the cost model would reduce by \$252M*

Family Child Care

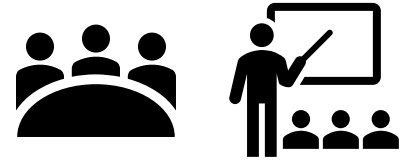
Staffing Pattern, Ratios, and Group Sizes



- The family child care model was built with **parity to the CBO model**
- **Two staffing patterns** were used:
 - **High Quality – exceeds licensing** requirements by:
 - Provider education (AA)
 - Additional 0.5 FTE assistant
 - **ExceleRate Gold Plus** – reflects ExceleRate Gold requirements and:
 - For FCC Homes, 1 adult to 6 children with no more than 2 children under 2 years of age;
 - For Group FCC Homes, 2 adults to 12 children with no more than 6 children under 30 months; no more than 4 children under 15 months.
 - Includes an additional 0.5 FTE assistant to reflect more realistic business practices at high quality FCC programs
- 25% of children are assumed to be at the higher standard. If all children were at the High Quality standard, *the cost model would reduce by \$38M.*

Home Visiting

Staffing and Cost Assumptions



- *Completed by Ounce of Prevention Fund*
- Staffing patterns and non-personnel costs from actual home visiting programs and adjustments by the Illinois Birth to Three Institute based on best practices
- Costs estimated for various size programs; used 5 HV program as estimate for model
- Additional cost for Doula services included

Our third major “cost of quality” factor is salaries



What is the model *staffing pattern* for each service type?



What should *staffing ratios and group sizes* be?



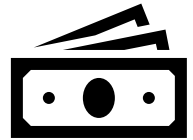
What should the *salary schedule* for positions be?

Salary schedules are uplifted to adequate compensation to sustain the field



- Emphasis was on ***adequate compensation to sustain the field***
 - Rough parity with average salaries of jobs requiring equivalent level of education (BA, AA, HS)
- Benefits costs were estimated using Bureau of Labor Statistics average costs of providing health, retirement, etc.
- Two geographic multipliers apply to salaries:
 - Chicago Metro: 1.05
 - Balance of State: 0.9
- Using these salary schedules *increases total costs by \$2.1B*

Salary Scales



SALARY SCALES				
Personnel	Balance of the State		Chicago Metro	
	Current Average	Recommended	Current Average	Recommended
Site Director (PI/PFA)	\$49,629 ^a	\$63,750	\$55,393 ^d	\$75,000
Site Director (Licensed)	\$33,195 ^a	\$46,750	\$39,092 ^a	\$55,000
Additional Professional Staff (Out Of Classroom)	\$28,333 ^a	\$42,500	\$32,344 ^d	\$50,000
Teacher (PEL)	\$55,806 ^f	\$55,806	\$65,104 ^f	\$65,104
Teachers (Bachelor's degree)	\$32,032 ^a	\$41,650	\$32,402 ^d	\$52,000
Teachers (Associate Degree)	\$23,490 ^a	\$36,550	\$29,661 ^a	\$43,000
Teacher Assistants	\$19,741 ^a	\$33,150	\$27,352 ^d	\$39,000
Teacher Aides	\$17,160 ^c	\$25,501	\$27,040 ^e	\$30,000
Lead Floater Teacher/Sub	\$23,000	\$34,850	\$28,000	\$41,000
Assistant Floater Teacher/Sub	\$19,500	\$30,600	\$27,040 ^e	\$36,000
Family Engagement Specialists	\$29,000 ^b	\$34,000	\$33,569 ^b	\$40,000
Cook	\$20,000 ^b	\$25,501	\$29,000 ^b	\$30,000
Asst Cook/Food Aide	\$17,160 ^c	\$19,240	\$27,040 ^e	\$27,040
Administrative Assistant	\$25,500 ^b	\$29,750	\$30,000 ^b	\$35,000
Maintenance Workers	\$17,160 ^c	\$25,501	\$27,040 ⁺	\$30,000

a Salary figures obtained from FY2017 Illinois Salary and Staffing Survey

b Salary figures obtained from Early Childhood Workforce Consensus Statement on Early Childhood Educator Compensation

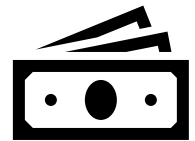
c Current IL minimum wage

d Salary figures obtained from Chicago Delegate Survey, December 2017

e Current Chicago minimum wage

f Illinois Evidence Based Funding Formula

Home Visiting – Salary Scales



Personnel in Early Childhood Salary Scale	Downstate Recommended Salary	Cook and Collar Counties Recommended Salary	Notes on salary adjustments
Supervisor	\$ 53,398	\$ 66,220	Downstate: base salary X 1.09 Cook and Collar Counties: base salary X 1.23
Home Visitor/Parent Educator	\$ 41,650	\$ 52,000	Teacher BA
Program Director	\$ 63,750	\$ 75,000	Site Director (PI/PFA)
Administrative position (data collection/entry)	\$ 29,750	\$ 35,000	Administrative Assistant
Community partnerships and engagement	\$ 41,650	\$ 52,000	Teacher BA
Group coordinator	\$ 41,650	\$ 52,000	Teacher BA

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Major topics regarding cost of quality:

- Do we agree that licensing should NOT be used as the standard for adequacy?
- Should enhanced standards be used for lower income children?
- What level of compensation should be included in our adequacy target?
- What can we do to validate our assumptions? (Research, National Panel, etc.)
- *What other questions or concerns do you have about cost model inputs?*

Next Steps

This Working Group's Update for March 10 Commission Meeting

- Share Key Questions this Working Group is tackling this meeting and next meeting (3/23)
- Share today's outcomes on Key Questions 1 and 2 through the lens of our guiding principles
- Discuss identified interdependencies

DRAFT Meeting 3 Priorities

- Discuss child count in adequacy projections
- Move toward a draft Adequacy Target (save infrastructure) with all major decisions vetted against Guiding Principles
- Discuss a process for periodically updating adequacy targets

THANK YOU

